

PRESS RELEASE

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USDA RURAL DEVELOPMENT HOUSING LOAN SPECIALISTS TO HOLD EVENING OFFICE HOURS IN SPENCER TOWN HALL

Amherst, MA – USDA Rural Development will hold special evening office hours during the Spencer Town Meeting at the Spencer Town Hall on Monday, June 20 from 6:00PM to 8:00PM.

USDA Rural Development, an agency within the United States Department of Agriculture, will be holding the special office hours in Spencer in order to promote two of its programs which encourage homeownership and enable existing rural homeowners to repair, renovate, or provide handicap accessibility to their homes. Interested individuals will have a chance to speak to a USDA Rural Development Loan Specialist about their eligibility for USDA Housing Programs and complete a housing application if they wish.

Through USDA Rural Development's Home Improvement Loan and Grant Program (Section 504), funds may be made available, for example, to repair a leaking roof; replace a wood stove with central heating; or to construct a front-door ramp for someone using a wheelchair. Low income families and individuals can receive loans at a 1% interest rate directly from USDA Rural Development and homeowners that are 62 years of age and older are eligible for home improvement grants which do not have to be repaid. While grant funds are generally limited, loan funds are readily available through at least September 30, 2005.

Home improvement loans of up to \$20,000 and grants of up to \$7,500 are available. Loans are made for up to 20 years with an interest rate of 1 percent. Grant funds may be used only to pay for repairs and improvements resulting in the removal of health and safety hazards. A grant/loan combination can be made if the applicant can repay part of the cost. Loans and grants can be combined for up to \$27,500 in assistance.

In addition to the Home Improvement Program, USDA Rural Development has funds available for its home loan program (Section 502) for moderate to very low income rural homebuyers. This program provides individuals and families the opportunity to purchase or build a home with no-down-payment and financing of up to 100%.

Financing is available for modest, detached, single family homes or condominiums in designated rural areas of Massachusetts. Applicants must be unable to secure a conventional bank mortgage and be in need of a home which will be occupied as their primary residence. Applicants are expected to have a dependable source of income and a reasonably good history of paying past credit obligations.

The USDA Rural Development Homebuyer Loan Program provides three different funding structures. The first is the Guaranteed Rural Housing Loan. This loan structure allows conventional lenders to lend 100% of an applicants needs with USDA Rural Development providing a guarantee of payment. The second loan structure provides direct second mortgage loans in participation with a local lender's first mortgage loan to provide applicants with 100% purchase financing. USDA Rural Development can reduce the interest rate on the second mortgage loan to as low as 1% depending on the applicant family's household income. Finally, USDA Rural Development can provide a direct loan, for those who do not qualify for the above programs, for 100% of the eligible purchase costs. These loans can have a temporary interest reduction to as low as 1% depending on the applicant's family household income.

For more information about USDA Rural Development office hours at the Spencer Town Hall, please call USDA Rural Development at: (413) 253-4314 or the Spencer Town Hall at: (508) 885-7500 extension 155.

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